

Message Text

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SUBJ: NEW FMG MOVES TO SOLVE INDUSTRIAL UNREST

REF: LAGOS 1117

SUMMARY: IN TWO MOVES AIMED AT DEFUSING INDUSTRIAL UNREST, FMG ANNOUNCED THREE-MONTH LIMIT ON ARREARS PAYMENTS IN PRIVATE SECTOR, AND REORGANIZATION OF PUBLIC SERVICE REVIEW UNIT TO INCLUDE NONGOVERNMENT EXPERTS. BOTH MOVES COULD HELP REDUCE EMOTIONAL ISSUES WHICH HAVE KEPT INDUSTRIAL RELATIONS SCENE IN TURMOIL OVER PAST MONTH, AS COULD EXAMPLE OF SEVERAL RECENT SETTLEMENTS IN PRIVATE SECTOR. LABOUR COMMISSIONER ADEFOPE HAS GIVEN INITIAL IMPRESSION OF LEADERSHIP, BUT MAY STILL FACE SEVERE TEST OVER THREE-MONTH ARREARS ISSUE. END SUMMARY.

1. FMG INITIATED, LATE LAST WEEK, TWO NEW EFFORTS DESIGNED TO HELP RESTORE SEMBLANCE OF ORDER TO NATION'S INDUSTRIAL SCENE. FIRST MOVE WAS MADE FEBRUARY 7 WHEN FEDERAL LABOUR COMMISSIONER ADEFOPE, AFTER SERIES OF MEETINGS WITH VARIOUS LIMITED OFFICIAL USE

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NATIONAL EMPLOYER GROUPS, ANNOUNCED FMG GUIDELINES FOR

PAYMENT OF ARREARS IN PRIVATE SECTOR. "IN INTEREST OF ECONOMY AND BUSINESS," COMMISSIONER SAID, "FMG WAS ADVISING UNIONS AND MANAGEMENT TO NEGOTIATE ARREARS PAYMENT SETTLEMENTS EFFECTIVE OCTOBER 1, 1974, THOUGH WITHOUT PREJUDICE TO AGREEMENTS ALREADY CONCLUDED FOR PAYMENTS OF OVER THREE MONTHS. SECOND ANNOUNCEMENT, ON FEBRUARY 8, WAS REORGANIZATION OF PUBLIC SERVICE REVIEW UNIT, NOW REFERRED TO AS "REVIEW PANEL", TO INCLUDE EXPERTS FROM OUTSIDE PUBLIC SERVICE. FMG STATEMENT EXPLAINED THAT ACTION WAS MADE NECESSARY BY "VERY LARGE NUMBER OF REPRESENTATIONS" MADE REGRADING UNDER NEW SALARY SCALES AND REITERATED DESIRE TO SETTLE ALL REGRADING COMPLAINTS BY END OF FEBRUARY.

2. FIRST ANNOUNCEMENT IS AIMED AT ARRESTING SPREADING UNREST AMONG PRIVATE SECTOR WORKERS OVER AMOUNT OF ARREARS PAYMENTS. WHILE SOME EMPLOYERS COULD AFFORD TO SETTLE FOR MORE THAN THREE MONTHS, UNIONS CAN EXPECT LITTLE SYMPATHY FROM FMG IF STRIKES ORIGINATE OVER ARREARS PAYMENTS FOR LONGER PERIOD OF TIME. FMG HAS THUS ATTEMPTED TO TAKE SOME HEAT OUT OF ARREARS ISSUE. PRELIMINARY TRADE UNION REACTIONS AND SOME EDITORIALS, HOWEVER, HAVE BEEN CRITICAL OF FMG ACTION, POINTING OUT IT DOES NOT DISCRIMINATE BETWEEN FIRMS ABLE TO PAY MORE THAN THREE MONTHS, THOSE THAT HAVE ALREADY SETTLED FOR MORE THAN THREE MONTHS, AND THOSE UNABLE TO PAY EVEN THREE MONTHS WITHOUT GOING OUT OF BUSINESS. UNIONISTS FURTHER CLAIM FMG MOVE JEOPARDIZES CURRENT UNRESOLVED NEGOTIATIONS AS COMPANIES WHICH HAD PREVIOUSLY OFFERED MORE THAN THREE MONTHS, BUT LESS THAN UNION DEMANDS FOR NINE MONTHS. THIS PUTS UNIONS WHICH HAVE NOT CONCLUDED NEGOTIATIONS AT DISADVANTAGE TO THOSE WHICH HAVE CONCLUDED AGREEMENTS GIVING MORE THAN THREE MONTHS ARREARS.

3. RESTRUCTURING OF REVIEW UNIT HAS BEEN WELCOMED AS SINCERE FMG EFFORT TO MEET CRITICISMS OF PUBLIC SERVICE PROFESSIONAL AND TECHNICAL STAFF, AND OF STATUTORY CORPORATIONS, THAT UNIT AS PREVIOUSLY ESTABLISHED WAS WEIGHED AGAINST THEM. IT WAS GENERALLY CLAIMED THAT ORIGINAL REVIEW UNIT WAS COMPOSED SOLELY OF PUBLIC SERVICE EXECUTIVE OFFICERS WHO HAD BEEN INSTRUMENTAL IN DOWNGRADING PROFESSIONAL AND TECHNICAL STAFF GRADES IN FMG WHITE PAPER, AND WHO WERE UNLIKELY TO GIVE REGARDING CLAIMS A FAIR OR IMPARTIAL HEARING. INFUSION OF NON-LIMITED OFFICIAL USE

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PUBLIC SECTOR EXPERTS INTO REVIEW PANEL IS THEREFORE EXPECTED TO MAKE PANEL'S JUDGMENTS MORE READILY ACCEPTABLE.

4. DESPITE POTENTIAL CALMING EFFECTS OF LATTER ACTION, TENSION IN PUBLIC SERVICE WAS INCREASED FEBRUARY 7 WHEN JOINT ACTION COMMITTEE OF EMPLOYEES IN FEDERAL AND STATE-OWNED STATUTORY CORPORATIONS (INCLUDING PORTS AND ELECTRICITY WORKERS) ISSUED TEN-DAY ULTIMATUM TO FMG. ULTIMATUM IS TIED

TO REDRESS OF UDOJI REPORT ANOMALIES WHICH PURPORTEDLY DOWN-
GRADED WAGE SCALES OF THOSE EMPLOYEES IN RELATION TO THEIR
COUNTERPARTS IN CIVIL SERVICE. COMMITTEE IS ASKING FOR 200
PERCENT WAGE INCREASE FOR LOWER PAID WORKERS AND 60 PERCENT
INCREASE FOR HIGHER PAID STAFF.

5. MEANWHILE NUMBER OF SETTLEMENTS IN PRIVATE SECTOR WERE
ANNOUNCED LATE LAST WEEK. TEXTILE EMPLOYERS IN LAGOS SETTLED
FOR THREE MONTHS ARREARS AFTER LONG JOINT UNION-MANAGEMENT
MEETING FEBRUARY 10 AFTER NUBIAW SETTLEMENT FOR NINE MONTHS
ARREARS, AND AGREEMENT BY NUNBE TO REOPEN NEGOTIATIONS AND
REFER ANY DISPUTED ISSUES TO INDUSTRIAL ARBITRATION TRIBUNAL.
SOME CONSTRUCTION COMPANIES ALSO SETTLED FOR UNKNOWN AMOUNTS.
HOTEL SITUATION IS UNCLEAR, WITH SEVERAL MAJOR HOTELS
EXPERIENCING STAFF DIFFICULTIES AFTER MANAGEMENT TERMINATED
SOME 3,000 STAFF FOR FAILING TO REPORT BACK TO WORK FEBRUARY 7.
UNION HAS BEEN HOLDING OUT FOR NINE MONTHS ARREARS, HAVING
REJECTED MANAGEMENT OFFER OF FOUR MONTHS. SOME HOTELS APPEAR
TO BE FUNCTIONING NORMALLY AND MAY HAVE REPLACED STAFF, WHICH
WOULD FURTHER COMPLICATE NEGOTIATIONS.

6. COMMENT: TWO FMG ACTIONS SHOULD HELP QUIET INDUSTRIAL
SCENE, AT LEAST TEMPORARILY. IMPACT OF THREE-MONTH ARREARS
ORDER ON UNIONS, HOWEVER, WILL DEPEND ON REACTIONS FROM
UNION LEADERS WHICH MIGHT WELL DIFFER. SOME MAY WELCOME,
AT LEAST PRIVATELY, FMG ANNOUNCEMENT AS A WAY OUT FROM UNDER
GROVING RANK AND FILE PRESSURES, WHILE OTHERS COULD DISREGARD
FMG APPEAR AND CONTINUE TO USE ARREARS ISSUE AS MEANS OF
IMPROVING THEIR PERSONAL STATURE AND FOLLOWING AMONG WORKERS.
FMG ANNOUNCEMENT DOES, HOWEVER, SEEM TO STRENGTHEN GOVERNMENT'S
HAND IN DEALING WITH FUTURE STRIKES ON THIS ISSUE.

7. WHILE BROADENING PUBLIC SERVICE REVIEW PANEL IS OBVIOUSLY
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USEFUL MOVE, FMG'S CONTINUED BELIEF THAT ALL COMPLAINTS CAN
BE ADEQUATELY AND PROPERLY HANDLED BY FEBRUARY 28 SEEMS
UNREALISTIC. SIZE AND COMPLEXITY OF TASK AHEAD OF PANEL
WOULD APPEAR TO TAKE CONSIDERABLY LONGER THAN TWO WEEKS,
ESPECIALLY IF FMG HOPES TO DO JOB CAREFULLY ENOUGH TO AVOID
FUTURE COMPLICATIONS.

8. DESPITE DOUBTS EXPRESSED IN PARA 5 REFTEL, ADEFOPE'S
JAWBONING HAS THUS FAR HELPED RESTORE SOME ORDER TO INDUSTRIAL
SCENE. HE HAS MADE HIMSELF READILY AVAILABLE TO LABOR AND
MANAGEMENT TO HEAR THEIR GRIEVANCES AND PROPOSALS; HAS
INITIATED SEVERAL JOINT MEETINGS WHICH HAVE HELPED CLEAR THE
AIR; AND HAS APPARENTLY BEEN SUCCESSFUL IN GIVING IMPRESSION
THAT HE IS INTERESTED IN FINDING COMPROMISE SOLUTIONS AND IS
WILLING TO GIVE LEADERSHIP WHEN NECESSARY. PERHAPS BEST

EXAMPLE IS SUCCESSFUL MEETING WITH TEXTILE GROUPS, TRADITIONALLY
VOLATILE SECTOR IN INDUSTRIAL RELATIONS AND, IN NIGERIA,
INDUSTRY MOST LIKELY TO SUFFER FROM ARREARS PAYMENTS.
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